



DEFENSE FINANCE AND ACCOUNTING SERVICE

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JUL 17 2000

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MEMORANDUM FOR COMMANDING OFFICER, PERSONNEL SUPPORT
ACTIVITY, SAN DIEGO, CALIFORNIA

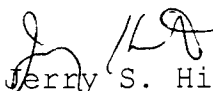
SUBJECT: Results of Random Post-Payment Review for Travel
Reengineering Test Site, Naval Post-Graduate School,
Monterey, CA

The attached report provides an evaluation of the results of the random post-payment reviews of temporary duty travel (TDY) claims processed by the travel reengineering test site at the Personnel Support Detachment (PSD), Monterey, California. The review covers the period January 2000 through March 2000.

The accuracy of TDY travel payments at the PSD, Monterey is 99.2 percent. The monetary claims accuracy was 75 percent during this period. Details of the review are contained in the attachment.

Finally, we would like to extend our thanks to the personal at the PSD, Monterey who have assisted my staff and worked several issues to make these reviews successful.

Please direct questions or comments regarding this evaluation to Lieutenant Colonel Michael Kantaris at (816) 926-5677 or DSN 465-5677.


Jerry S. Hinton
Acting Director for Finance

Attachment:
As stated

cc: ASN (FM&C)
OIC, PSD, Monterey, CA

PSD Monterey, California
January - March 2000 Review

Introduction. As part of the Department of Defense (DoD) Random Audit Program initiatives, post payment reviews of travel claims at travel reengineering test sites are required. Monthly post payment reviews of temporary duty (TDY) travel claims, reported quarterly, will be performed on those designated test sites. This report encompasses the first quarter, calendar year 2000, post payment review of the TDY travel claims from the PSD at Monterey.

Objectives. The objectives of the review are to evaluate the accuracy, effectiveness, and efficiency of the entire travel reengineering process. It is a quality assurance review that encompasses the accuracy of the facts and supporting information in the trip record, the verification of the accuracy of the computations, and the legality of the disbursement.

Background. The Monterey PSD processed 819 TDY travel claims, subject to travel reengineering post payment review, during this period. The Disbursing and Cash Management Office, Statistical Operations Division (DCMO/DC) randomly selected 163 vouchers for review and reviewed 147 of the claims. The difference (16) reflected the number of travel claims where a complete package was not initially received. A complete package includes a trip authorization, a completed trip record, and any applicable receipts for lodging and/or reimbursables greater than \$75. Incomplete packages continue to be pursued and data updated even after the report is completed. There were twenty-two TDY vouchers with a value greater than \$2500 reviewed during this period. TDY vouchers greater than \$2500 are subject to a 100 percent review, while those less than \$2500, are subjected to a random sampling selection process. Data for all vouchers were "rolled-up" into one report vice being listed separately.

Scope. The primary focus of the review is to ensure compliance with the DoD Financial Management Regulation, Joint Travel Regulation (JTR), and Joint Federal Travel Regulation (JFTR), Appendix O.

Summary of Monetary Results

The monetary claims accuracy rate was 75 percent with 37 of the 147 vouchers containing an overpayment or underpayment during the quarter. This represents a 6 percent decrease in accuracy over the previous quarter and a 12 percent decrease from the report from two quarters previously. The monthly monetary claims accuracy rates varied from 65 to 85 percent. While the dollar

value of these errors ranged from a \$1 to more than \$292, slightly greater than one-fourth of the monetary errors was less \$10. Conversely, about 20 percent of the monetary errors were greater than \$100. The cumulative dollar value of the mispayments for this quarter was \$2,302, a 20 percent increase in mispayments from the previous quarter. The overall payment accuracy rate was 99.2 percent during the first quarter. Of the \$2,302 in mispayments, \$1,286 was overpayments and \$1,016 was underpayments. The mean values for an overpayment and underpayment were \$68 and \$60, respectively. A total of 12 overpayment and 13 underpayment letters were issued. Per current regulations, travelers are notified of overpayment or underpayment of greater than \$10 in his or her claim. The PSD Office at Monterey is responsible for collecting all overpayments greater than \$10 and assists with filing supplemental claims for those determined underpaid.

Summary of Errors Being Made.

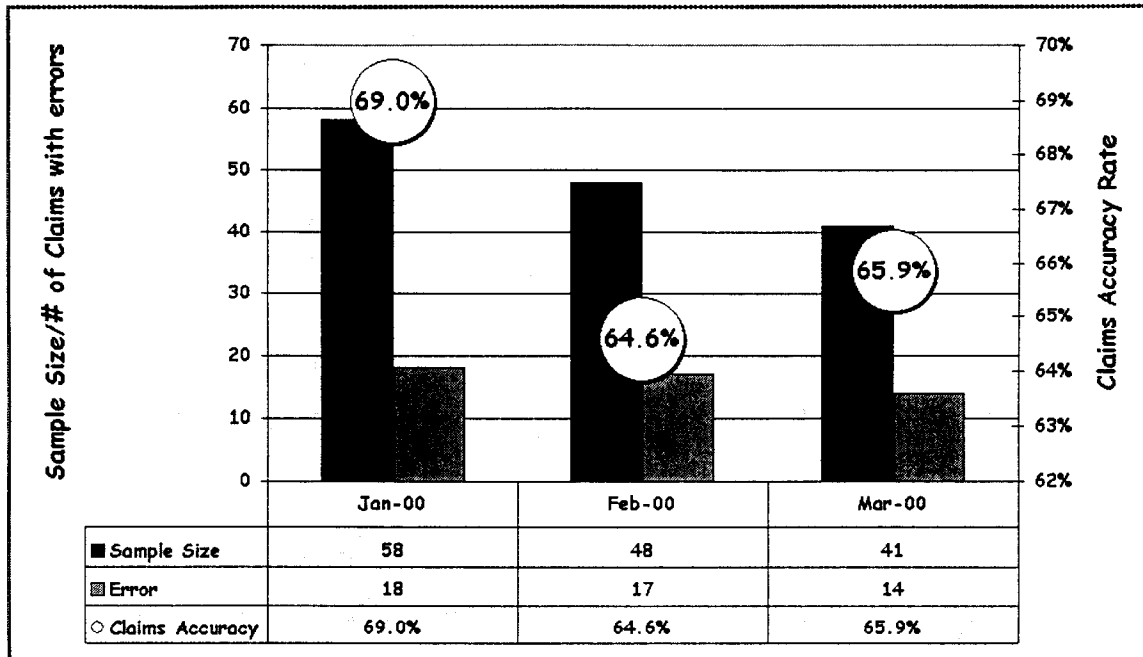
Monterey errors were analyzed from a couple of different points of view. The first point of view was to place responsibility for the errors being made. Were the errors caused by the traveler and authorizing official (AO) or were they caused by some other source like the Travel Manager Plus (TMP) software? Sometimes it was difficult to determine whether the traveler input the wrong information or the software had incorrect algorithms or tables. From our analysis of the vouchers in error, about 85 percent can be attributed to the traveler and AO. Most of these errors occurred when the traveler input lodging/lodging tax amounts that differed from the receipts, did not use the correct conversion rates for foreign currency, or chose the wrong per diem rates in the system. AO's were also culpable since they are tasked with verifying the information in the claim and certifying that it is correct. While 85 percent of the errors can be attributed to the traveler/AO, the other 15 percent involved various sources to include systems computations, per diem tables, and undeterminable reasons. Some of these "undeterminable reasons" could have been caused by the traveler/AO as well, but from what the examiners saw on the voucher, no source could be attributed. The second point of view for analyzing monetary errors was from the different categories of errors being made. From this point of view, slightly more than one-fourth of all monetary errors made involved the meals and incidental expenses (M&IE) portion of per diem. Incorrect foreign currency rates, reimburseables not claimed properly, incorrect mileage amounts, and lodging receipts not matching claims accounted for about 53 percent of all monetary errors. The remaining few monetary errors involved undeterminable sources. Claims accuracy rates varied greatly during this quarter. The overall claims accuracy rate was about 63 percent-a sixteen percent decrease over the second quarter.

The range of values for claims accuracy was from 54 percent to 69 percent. The claims accuracy rate includes all monetary errors and those errors that do not involve a mispayment. Errors not involving a mispayment, for example, include those where AO's do not approve certain items in the pre-trip authorization. These types of errors are considered administrative in nature. Furthermore, other common examples of administrative errors include modifications made after the trip has been completed vice before it commenced. Things like allowing privately owned vehicle (POV) and actual expenses fall into this category. However, without the modifications, the administrative error would have been a monetary error; consequently, extra work needs to transpire to "fix" the discrepancy so that it is not monetary in nature.

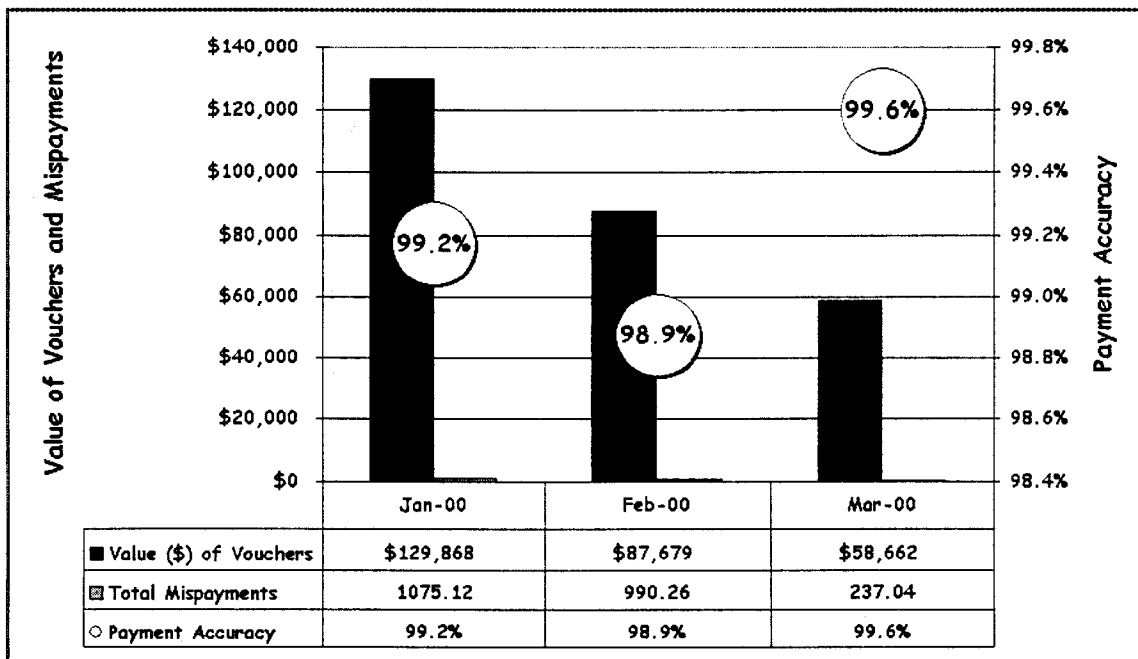
Conclusions. With an overall payment accuracy rate of 99.2 percent for the quarter, the "system" appears to be computing TDY travel claims reasonably accurately and improving over previous quarterly reports. While payment accuracy remained high, the amount of monetary errors actually increased during the quarter. In other words, while there were more monetary errors made, the total monetary value of the errors was less than the last quarter. For the first time, the number of meals and incidental per diem errors decreased, while on the other hand, the number of errors involving foreign currency exchange rates increased. These foreign currency exchange rates involved credit card receipts not matching exchange rates on the original claim. Unfortunately, this may be difficult to correct because of fluctuations on currency rates from the date of billing to the date of posting.

Recommendations:

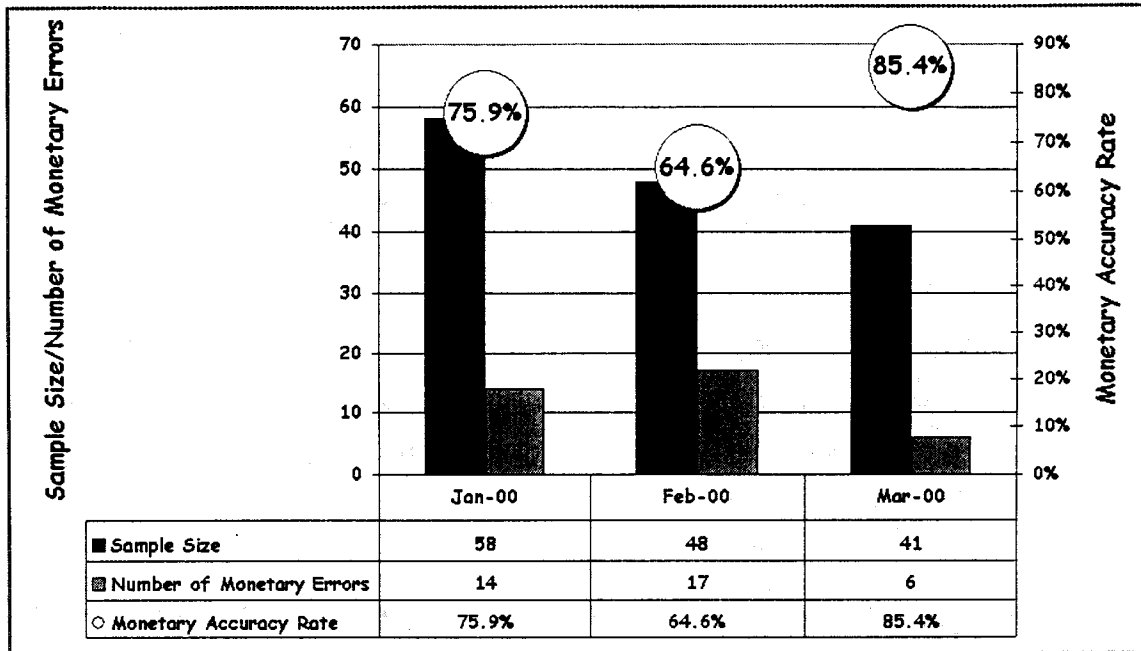
1. That continued attention to detail be applied by the travel points of contacts.
2. That on-going training continue with travelers/AO's about the travel reengineering process and the settlement of TDY travel claims.



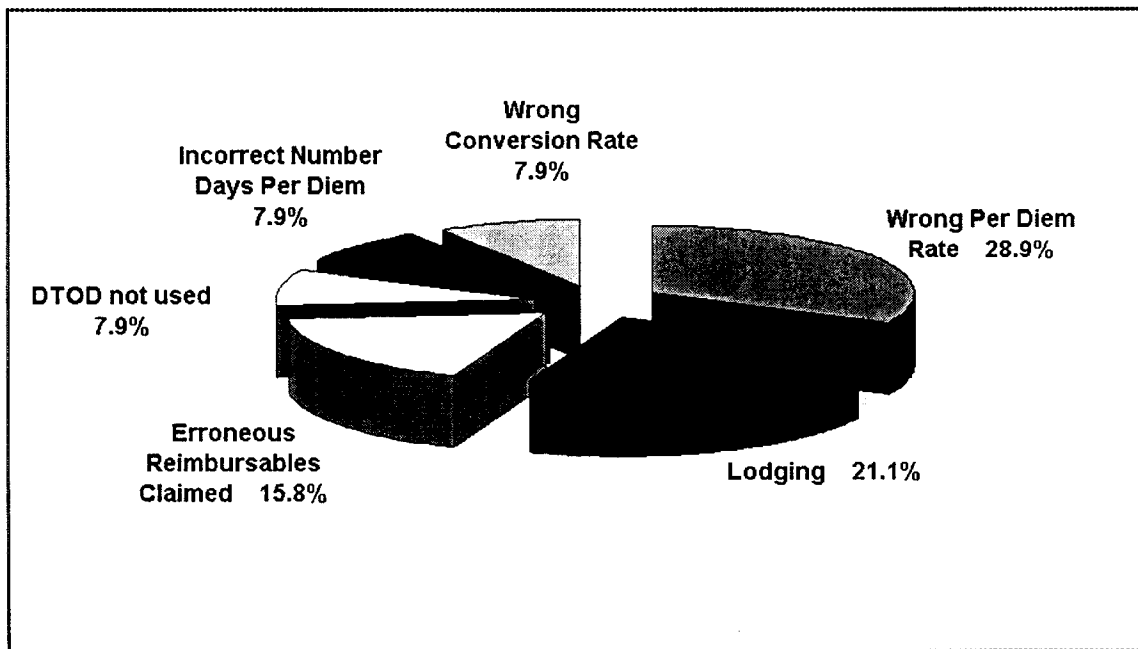
Claims Accuracy Rate



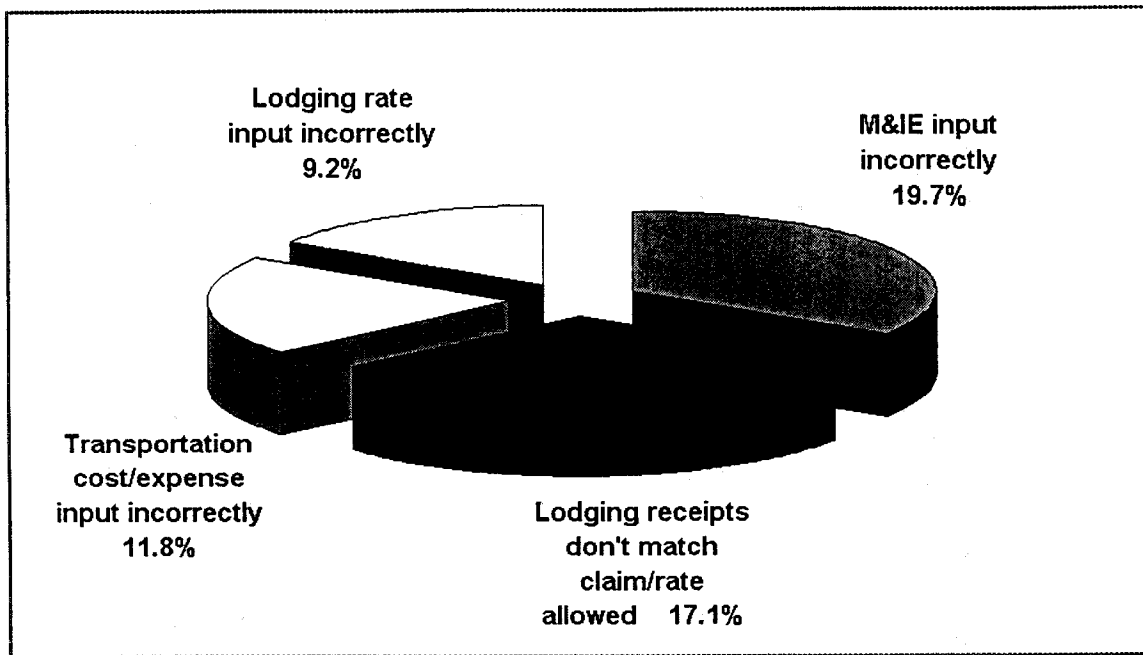
Payment Accuracy Rate



Monetary Accuracy Rate



Predominant Monetary Errors



Predominant Errors